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FISCAL IMPACT STATEMENT

LS 6442

BILL NUMBER: HB 1319

NOTE PREPARED: Dec 9, 2002

BILL AMENDED:

SUBJECT: Unserved Townships and Library Districts.

FIRST AUTHOR: Rep. Kruse

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides procedures for a township that does not have territory in a library district to join an existing library district: (1) by legislative body resolution; or (2) by an election on a public question.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* If the township legislative body considers but does not adopt a resolution to join an existing library district, the bill allows for a local public question to be placed on the ballot at the next general, special, or primary election held in the township. Counties containing townships with a public question would have added expense to place it on the ballot.

Background: Currently there are 212 townships that do not have territory in a library district. For the 2000 general election, the cost of paper ballots per 1,000 voters was about \$54.75, while the cost of changing ballots for direct recording electronic voting systems would likely be less. The cost of optical scan ballots were about \$300 per thousand.

Explanation of Local Revenues: *Summary:* If a township joins a library district, the property tax levy of the library and the property tax rate paid by the taxpayers in the township could be affected.

Two maximum levy increases are available to library districts that add unserved territory. First, the maximum levy of a library district automatically increases when a territory is added that was previously unserved by any library. The addition of the unserved township's assessed value (AV) to the library's AV base would cause the library district's maximum levy to increase to a higher amount commensurate with the AV increase. Second, in addition to the automatic increase, the library district may also ask the Local Government Property Tax Control Board for an additional increase to cover increased costs resulting from annexation of the township into the library district.

As a result of the automatic maximum levy increase, all taxpayers in the library district would pay the existing library tax rate. The tax rates of the existing library taxpayers would not be affected, and the previously unserved township taxpayers' property tax rates would increase by the amount of the library's existing tax rate. If the Control Board honors a request for an additional maximum levy increase, then the tax rates for all library taxpayers would increase.

For 2001 pay 2002, the 212 townships that did not have territory in a library district represented \$7.9 billion in assessed value, which is 4.5% of the state total AV (\$175.9 billion). The actual fiscal impact depends on local action and also on Local Government Property Tax Control Board action.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Townships; Libraries; Clerk of the Circuit Court; County Election Board.

Information Sources: Local Government Database; Indiana Election Division, 317-232-3939; Election Systems and Software, (317) 913-0230.

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